## NEW YORK HERALD

JAMES GORDON BENNETT. EDITOR AND PROPRIETOR.

OFFICE N. W. CORNER OF FULTON AND NASSAU STE

AMUSEMENTS THIS EVENING.

BEOADWAY THEATRE, Broadway .- Tun Live In WINTER GARDEN, Broadway.-HARLES

WALLACK'S THEATRE, Broadway .- IMISE HEIRES OLYMPIC THEATRE, Broadway.—Tax STREETS OF NEW

NEW BOWERY THEATRE, BOWERY,-MAZEFFA-DON BOWERY THEATRE, Bowery.—DANK TROTT-MICHAEL

NIBLO'S GARDEN, Broadway.-Lakes or KILLARNEY-BARNUM'S MUSEUM. Broadway.—Two Marmoth Pay Women—Living Serligon—Dwarp—Learned Smal—Tim Hayes—The Union Philonen—Day and Evening.

BRYANTS' MINSTRELS, Mechanics' Hall, 472 Bread

WOOD'S MINSTREL HALL, 514 Broadway, STREETS OF NEW YORK-THE PLAY BILL-OR HUSH; ETHIOPIAN SONGE

SALLE DIABOLIQUE, 685 Broadway. -- ROBERT HELLER'S DODWORTH HALL, 806 Broadway,-Mr. GEORGE VAN-

VAN AMBURGH & CO.'S MAMMOTH MENAGERIE, HIPPOTHEATRON, Fourteenth street.-Equipments.

AMERICAN THEATRE, No. 444 Brondway.-Ballett HOOLEY & CAMPRELL'S MINSTRELS, 199 and 201

NEW YORK MUSEUM OF ANATOMY, 618 Broadway.-

New York, Tuesday, January 31, 1865.

#### THE SITUATION.

There was an interesting debate in the rebel House Representatives on Thursday last on the bill for placing negroes in the armies of the confederacy. During its progress Jeff. Davis was severely denounced by members. Both open and secret sessions were held for the consideration of the subject: but it was not finally disposed of. The rebel papers furnish confirmation of the statement contained in our St. Louis despatch, published in yesterday's HERALD, that General Kirby Smith, commanding the rebel Trans-Mississippi Department, has repeatedly refused to comply with orders from Richmond directing him to transfer his troops to the east side of the Mississippi river. The op ponents of Jeff. Davis among his own people grow bitterer daily in their denunciation of him, and it is admitted that his humiliation was the design of the Congressional action to place Lee at the head of the armies His Congress has also other rebukes in store for him The Union raiding force up the Chowan river, in North Carolina, in the direction of Weldon, is said to numbetween six and ten thousand men, in cluding infantry, cavalry and artillery. The Richmond entinel, the official organ, says that the stories publishe by the other papers of that city regarding the peace offers made by Mr. Blair are groundless. General Beauregard contradicts the reports that Union meetings have been held in Georgia. During the ten days preceding the 27th inst. flour fell in Richmond three hundred dollars

From the James river we learn that the rebels on retreating up the stream after their attempt to make a naval raid on last Thursday, left a toroede boat aground just above General Grant's obstructions, and the Union naval forces have got her off, and she is now initiated into the national service and doing duty.

The steamship Queen, the first American vessel be ing the flag of a vice admiral in our navy, arrived at City Point, James river, on last Friday, with Vice Admiral Farragut on board.

A correspondent states that evidence of the cossio the Northern States of Mexico to Louis Napoleon by Maximilian has been on file in the office of the French legation at Washington for some months past. It is also ter of State, has asked Secretary Seward for an explanation of the recent Congressional censure of the policy of Mr. Lincoln's administration in recard to Mexico.

The St. Lawrence river being frozen over, the cittzens of Kinest, pand Brock ville, Canada, have become excited over apprehendions of raids from our Northern States, in retaliation for those of the rebels from their province across the border. No ground for these fears is apparent, and they are probably only an illustration of the wicked fleeing when no man pursueth. It is said that Justice Coursel, the Montreal magistrate who set the St. Alban raiders at liberty, has received from the Canadian Governor General the order suspending him from duty as presiding officer of the Court of Sessions during the progress of the official inquiry which is to be made regarding his fudicial conduct in that affair.

The total casualties in General Terry's army in the fight at Fort Fisher were six hundred and ninety-one. Of these eleven officers and seventy seven men were killed, thirty-nine officers and four hundred and seventy. two men wounded, and ninety-two men missing.

Three national iron-clad vessels are now static the mouth of Red river, to frustrate any attempt at a raid down that stream and the Mississippi which the

The War Department at Washington has been notified of the arrival of the rabel Congressman Henry S. Foote within the lines of General Sheridan's army, at Winches ter, Virginia

who recently escaped from the rebel prison at Sallebury, North Carolina, gave his testimony yesterday before the Congressional Committee on the Conduct of the War regarding the treatment by the rebel authorities of Union prisoners. He fully confirmed all that has been bereto fore stated in reference to the barbarity to which our captured soldiers and civilians are subjected.

# EUROPEAN NEWS.

We have received three days later news from Europ by the arrival at Portland, Me., yesterday, of the steam ship Peruvian, from London,lerry, Ireland, on the 21st

Captain Corbett, late commander of the rebel pirate Se King, alias Shenandoah, has been committed for trial in Liverpool, charged with violating the Foreign Enlistment

The Liverpool Post states that orders for twenty thou sand artillery uniforms for the rebels have recently been

executed in that city.

Means, Schoolfield and Bright, of the British Parlia ment, have been recently addressing their constituent favorably to the United States government, though ou propositions to place guilboats on the lakes and to abrogate the Reciprocity treaty with Canada were deprecated It is asserted that spain will demand of Peru indemnity

o the amount of fifteen million france.

The excitement over the Pope's encyclical is extend ing. It is rumored that trouble with Russia has grown out of it, and the government of Spain has forbidden its publication without authorization from the Council of Sinte. Cardinal de Andrea, who had been ordered to re Naples to Rome to answer for having spoken respectfully of it, had, it was said, refused to comply government in opposition to " ad been communicate

by M. Sartiges to Cardinal Antonelli, the Pope's Prime

It is said that the Emperor Napoleon has nominated Prince Napoleon as regent of the French empire in the event of his death.

Austria, it is stated, is determined to withdraw from

her alliance with Prussia if the latter persists in the pro-ject for annexing the duchies.

The Paris Putric states that the French government is about to incorporate Cochin China among the number of its regular colonies, on the same footing as Guadaloupe,

Martinique, Senegal and la Reunion.

Of four hundred and two emigrants leaving Havre in
the month of December last, there were three hundred and sixty for New York, thirty-eight for the States of th Rio de la Plata, three for Lima and one for Rio Janeiro. The steamship Columbia, from Liverpool for the West Indice, had sunk off Brest, and of thirty-four persons on

Consols closed in London on the 20th inst. at from eighty-nine and a half to eighty-nine and five-eighths for money. In the Liverpool market American cotton had declined from one penny to one penny and a half, and other descriptions. other descriptions from a half-penny to a ponny. The market closed dull. Breadstuffs were quiet and steady. Provisions had an upward tendency.

### CONGRESS

In the Senate yesterday, resolutions of the Kansas orislature asking that the military force detailed for the rotection of the overland mail route be increased were protection of the overland mail route be increased were referred to the Military Committee. A petition from a citizen u.g.ng the recognition of the Southern con-federacy was presented by Mr. Sanisbury. A remon-strance from the Agricultural Society of Kentucky, against the proposed tax on leaf tobacco, was referred to the Finance Committee. A potition asking for the establishment of steam signals along the Atlantic coast was referred to the Committee on Com-merco. The House bill reducing the duty on printing paper was reported, with an amendment fixing the duty at fifteen per cent, instead of three per cent, and ordered be printed. Mr. Davis' resolution for the appointmen of a special committee on the corruptions of the govern-ment was taken up, and Mr. Hale continued his animadversions upon the administration of the Navy Depart-ment. Bills reorganizing the army pay department, and to facilitate admiralty and other judicial proceedings at the national for es, with am numents which provide for the acceptance as a substitute of a person liable to be The clause which holds the principal, in case o desertion by the substitute, is stricken out, and the sub stitute is punished by a forfeiture of the rights of citizen ship. The resolution advising retaliation in the treatment of prisoners of war was then taken up and discussed till

the adjournment.
In the House of Representatives, a resolution increase ing the compensation of Congressmen and employes of Congress thirty-three and one-third per cent was referred to the Ways and Means Committee. A resolu-tion thanking the President for relieving Gen. Butler of his command was laid on the table. The Committee on the War was directed to inquire into and report as ourly as practicable on the alleged ill treatme negroes by General Jeff. C. Davis during march of Sherman's army through Georgia. resolution was adopted instructing the Com ittee of Ways and Means to inquire into the expedi ency of reporting a uniform mode of gauging and in was instructed to inquire what legislation is cessary to prevent payment for the transportation

oops and property of the United land on condition that the troops and property shall be carried over the same free of the votes for Provident and Vice President was con corred in, with an amendment that Virginia, North Carolina, South Carolina, Georgia, Alabama and Tennessee shall not be entitled to representation in the Electora College. In Committee of the Whole the Naval Appro priation bill was taken up. Among the amendments adopted was one providing that one midshipman, in on to those authorized by law, shall be pointed for each Congressional district, on the nomination of the member of Congress or delegate from said district; but no midshipman shall be appointed for any district not represented in Congress. Mr. Davis, of Maryland, offered an amendment, providing for the appointment of a Board of Admiralty by the President with the advice and consent of the Senate, to be advisory on matters of naval organization and law. Mr. Spaniding, of Ohio, hoped the amendment would not be adopted as the Committee on Naval Affairs had the subject under consideration. The Chairman (Mr. Washburne) decided the amendment out of order, but was not sustained by and the House adjourned.

## THE LEGISLATURE.

In the State Senate yesterday the annual report of the trustees of the Astor Library was received and ordered to be printed. Bills amending the charter of the East New York and Jamaica Railroad, and to regulate the fees of physicians and surgeons in certain cases, were noticed provide additional means of relief for sick and wounded soldiers of this state was ordered to a third reading, as were also the bills authorizing the Delaware and Lackawana Railcond Company to acquire sufficient real estate in New York for office purposes, and amending the

charter of the Prople's Savings Bank of this city, In the Assembly the reports of the Quartermaster General and of the Executive (emmittee of the State Nor mal School were presented. Bills were noticed incor pornting the New York Accidental Insurance Company, the New York Pleasure Ciab, also to amend the charte of the Agricultural Insurance Company. Bills were in to meorporate the Hopesville and Hunt ngton Railroad Company, and the State Edectic Medical So ciety. The resolution relative to the assignment of quotas and calling for information was called up and adopted. The bill incorporating the North River Savings Bank was

## MISCELLANEOUS NEWS.

The Turks Island Standard of the 7th of January h the following paragraph in reference to the salt supply:-"Several cargoes of sait have been shipped from this and the other ports of the colony during the past w.ek. The weather of late has been equally and unsettled, which has prevented vessels in port from getting the usual despatch. The quantity on hand is ample to supply any demand we are likely to have during the winter. Last

An important meeting of the Board of Supervisors took place yesterday. Resolutions were adopted calling on the Legislature for authority to raise money to pay bounties to fill the quota of the city, and appointing committees to go to Washington and Albany, and also a committees to go to Washington and Albany, and also a committees to go to washington and Albany, and also a committee. mittee, with power to aid influential citizens to their membership, to raise subscriptions to pay bounties. Su-pervisor Blunt made a full and interesting statement of what the city has done for the Union.

The Board of Aldermen met yesterday afternoon. The

special committee reported in favor of an ordinance abo lishig all recruiting tents in the City Hall Park and other public phaces, and inflicting a penalty of not less than one thousand dollars for taking recruite out of the county; bet after considerable debate the subject was laid over until Thursday next. A position for a forry to

laid over until Thursday next. A position for a long to five property for the foot of Fourteenth atreet, North river, signed by fourteen hundred persons, was received and appropriately referred.

The Board of Councilmen did not hold a session yesterday, a quorum not being present at the call of the roll, whereupon the clerk adjourned the Board till Thursday. The Albert Investigating Committee for the examina-tion of the affairs of our city government still continue their labors, not having yet finished the City Inspector's Department. Comptroller Brennin was yesterday on the stand, and gave some interesting evidence, as also Mesars. Badger and

nundred thousand deliar contract.

The Prussian Consul General appeared with his counsel Mr. Lapaugh, before United States Commissioner White, yesterday, to claim the extradition of Gustave Ferdinand, aline B. F. Illile, or Richard Hille, who is charged with frands on the Pertin and Hamburg Railway Company to the amount of sixteen thousand thalers and twenty-six silver fromhens. In consequence of the absence of the prisoner's counsel the investigation was postponed to aturday next at eleven o'clock.

The Court of Over and Terminer adjourned yesterda for the term, after some sentences had been passed. Henry Hawker, who pleaded guilty to killing John Brennan, a freman on board the steam hip Northern Light, was sentenced to two years' confinement in the state Pricon. Elizabeth Savouka, a Spanish negress, who killed a woman named Mary Bean, in the Sixth ward house, was sentenced to four years' confinement in the State Prison. Thomas Haves

adjourned till Monday next, at which time the trial calendar will be resumed. During the month of January

tion of the authorities yesterday at No. 464 Washington street. Eight persons, members of two families residing in the house, became suddenly III, suffering from cramps in the stomach and showing other symptoms of eaten something of a deadly character. Up to las-ing only one of the number had died; but the rem Up to last even ing only one of the number had died; but the remainder appeared to be at the point of death, and probably some of them expired during the night. The physicians called in were unable to ascertain the nature of the poison, and the sufferers themselves were entirely ignorant as to what had caused their sickness.

John McLaughlin was yesterday locked up in the

Tombs for trial on the charge of having, in connection with three others who have not yet been arrested, as saulted a man named Patrick Higgins, in a house in watch and chain and money to the value of over five

Allen Huff was yesterday committed to the romes to trial, charged with having stolen two hundred and twenty dollars from Lieutenant Augustus W. Lyon, of a Vermont registent, while the latter was reposing, on last day night, in a Greene afreet house of entertainment ut forty-five tons of mail matter dally pass through

the general Post Office in this city. Freasury notes were yesterday delivered to applicants a

The United States Hotel, at the corner of Fulton and Water streets, is, it is said, shortly to be converted into an exchange and offices for commercial purposes. Mr. Robert Liucoln, son of the President, arrived in this city from Washington yesterday. It is said that this young gentleman will shortly join the army, as an aid on

the staff of General Grant.

The steam frigate Susquehanna, Commodore Godon, which took part in the bombardment of Fort Fisher, arrived at the Brooklyn Navy Yard yesterday.

A man named Andrew J. Burronglis, a clerk in the

the staff of General Grant.

Currency Comptroller's bureau at Washington, was shot dead yesterday in one of the corridors of the Tressury Department by a woman named Mary Harris, who alleges that he was engaged to be married to her, but, instead of keeping his promise, had formed a matrimonial alliance The stock market was heavy yesterday morning, but

improved in the afternoon. Governments were steady. Gold was irregular, and, after opening at 214 and advancing %, closed at 211%.

Commercial affairs were unsettled by the violent fluc-tuations in gold yesterday, and prices of most kinds of foreign goods but little business was done; but in domestic produce a fair business was transacted at regular prices. Cotton was dull and 2c. lower. On 'Change the flour nactive and nominally 2c. a Sc. lower. Corn and oats ruled quiet, but the market was firm. The pork market opened dull and unsettled, but closed active and firm. Whiskey was a shade firmer, with more doing. Freights

for a Lift to General Grant.

The venerable Francis P. Blair has closed his labors at Richmond as a volunteer peacemaker, and the result is nothing. He reports that despondency, gloom and confusion reign at the rebel capital; that the rebel chiefs recognize their cause to be in a dreadful condition, that every one of them is anxious for peace on the best terms that can be obtained; but that, as all are suspicious of each other, not one of them has the moral courage to lead off on the road to submission. He has discovered that Jeff. Davis is willing to enter into negotiations for Southern independence, and Davis has been informed that President Lincoln is ready to treat upon the basis of the submission of the rebellious States to the Union; but all this we knew before. Some over-enthusiastic gold gamblers in Wall street, from Mr. Blair's past associations and po-litical identity with Jest Davis and his fellows, were, perhaps, led to believe that the diplomat of Silver Spring would accomplish some wonderful results in the way of inaugurating the millennium; but he may now be permanently set aside as a peacemaker, with the Rev. J. Wesley Greene, Colorado Jewett, Greeley, Kirke and Jaquass.

brought back from Richmond by Mr. Blair is that the rebel chiefs are resolved to fight it out; and this, too, we knew before. Their expulsion from Richmond is still, as it has been from the beginning, the first essential to pence. To expel them we must dislodge and disperse the veteran army of General Lee. That army now possesses all there is of unity and cohe sion in "the confederacy." With the demolition of that army the whole establishment of Davis, military and political, falls to With this branch of the business accomplished, the simple plan of pacification proposed by General Sherman will The people of the rebellious States, State by State, or all together, in laying down their arms, and in submitting to the supreme national authority of the United States. will be res red to the Union, and there will be peace-a substantial and enduring peace. No ands of peace commissioners, no negotiations no national conventions will be necessary to secure this grand result. The dislodgment and dispersion of Lee's army will practically setale the question, and nothing else will do it.

In this common sense view of the subject, we are glad that Mr. Blair, as a peacemaker, has arned over again the business of his missio into the hands of General Grant, to whom it properly belongs. The negotiations of Fort Fisher will now come into play at Richmond. The rebel leaders, no doubt, fully comprehend the dangers of their situation and the difficulties of resisting the military combinations closing around them; but all that can be done by desperate men, driven to the "last ditch," we may safely assume will be done in their final struggle for their last and most important stronghold and their last great army. They will more rigidly than ever gather up from their towns and villages, highways and byways, their absentee soldlers and deserters, and every white man capable of handling a musket, and every negro available for camp service. At the same time, in small squads and detachments, rein forcements will be hurried up to Lee by such roads as may still be open to them from the cotton States; and thus within a month or two Lee's present army of seventy thousand, may be swelled to a hundred thousand desperate fighting men.

Against this body of peace commissioners whatever may be the strength of the forces of General Grant, we know that if he can be speedly reinforced, to the extent of even fifty thousand men, we shall have immediate peace as the result of his decisive peace conference with General Lee. Judging from the unprocedented severity, North and South, of this wintry season so far, it may be a month, or even two or three months, before the roads in Southern Virginia will admit of active campaigning. Within this interval, if the loval States push

forward to Washington only fifty thousand soldiers under the new draft, General Grant, in assigning them to post and garrison duty, will be enabled to gather to the front a reinforce ment of fifty thousand veterans. Who can doubt the result, with our brave old armies of the Potemac and the James thus strengthened? Not another man, we dare say, will be needed of this new requisition for three hundred thousand. The war will be ended, and peace be secured without them. Let, then, the local authorities and people of the loyal States, in view of the prompt and decisive work thus suggested, proceed to business, and devote themselves earnestly and generously to the support of our great pacificator, General Grant.

In the meantime let the House of Representatives at Washington pass the pending constitutional amendment for the abolition of slavery throughout the United States, so that this proposition may at once be submitted to the several States for their ratification, and all difficulties on the slavery question will be avoided and settled. There will be no margin left for European alliances with Davis on the basis of emancipation, and none for the employment of the slaves of the South in his armies on promises of freedom. The action of Congress in favor of the proposed amendment will be universally accepted as the end of slavery and the slavery agitation, the end of Southern fire-enters and Northern abolition fanatics, and will thus in every way strengthen our cause, weaken the enemy, advance us to the crowning victory of the war, and harmonize the two sections in the restoration of the Union.

How to Dispose of the Inevitable Negro-

General Sherman's Plan.
The Tribune's mission is to find fault. It is nothing when not objecting. To agree with nobedy and to try to force everybody to agree with it are the main points of the creed of that delightful journal. The latest illustration of this creed we find in poor Greeley's comments upon General Sherman's recent order re serving certain lands for negro settlers exclusively. The order provides that "the islands from Charleston south, the abandoned rice fields along the rivers for thirty miles back from the sea, and the country bordering the St John river, Florida," be set apart for the settle ment of freed negroes. More fortunate than the white men, these negroes are exempted from conscription, and they are to receive the same bountles as white men if they choose to enlist Whenever three respectable negroes select a location for settlement they are to have it forthwith, and negroes in the army also have the right to hold lands in these settlements. An officer is specially detailed to carry out this order, and to take care that the negroes are not improperly interfered with. This seems to us a very liberal as well as a very excellent plan for disposing of the inevitable and irrepress African. But the Tribune does not like it, and distinctly refuses to endorse it. The objections of the Tribune, as we have

had frequent occasion to observe, are eften the

best possible proofs of the excellence of any scheme or system. The objections of the Tribune to General Sherman's plan of coloniz ing the negroes demonstrate the advantages of that plan. We have yet to be convinced, and the vast majority of mankind have yet to be convinced, that Greeley or any other Tribune writer understands the negro hetter, has a greater desire for his improve ment, is more thoroughly informed in regard to his necessities, and his capabilities, and has a more practical acquaintance with the best method of disposing of him, than Major General Sherman. Still the importinently undertakes to lecture this general, to convict him of "the vicious principle of prejudice against color," and to condamn off hand a system which it has probably cost him no little time and trouble to mature. eral Sherman." says the Tribune, "assumes that the negro is a race spart and different from the white." Is this assumption so absurd and so criminal? Is there no difference between white and black? These questions answor themselves. To colonize the blacks along the southern coast and upon the sea islands is to give them the best possible chance to become wealthy as well as civilized. There they have a climate to which they are adapted, and which is adapted to them, although fatal to most white people; and cotton and rice plantations, abandoned, but not worthless, are bestowed upon them gratis. If the negro has any capacity for self-covernment, any innate industry, any desire to rise in the world, any of those ambitions which distinguish white people under similar circumstances, now is his opportunity to display these qualities. But we decline t accept the Tribune's dictum as conclusive evidence of the existence of such qualities; and even were that dictum accented, we could im agine no more favorable surroundings than those supplied by General Sherman for the development of the best traits of a race just released from bondage and oppression.

The fact is however, that theoretical abolitionists. like those of the Tribune, never can agree with practical abolitionists, like Sherman. The theorists put a plan upon paper and then regard it as a thing accomplished. They blesse Abraham Lincoln for yielding to their clamer and signing the emancipation proclamation, and they cannot conceal their impatience at the discovery that this was not all that was neces sary to aunihilate the institution, and they are constantly starting new schemes to achieve what they have repeatedly assured us was already done. General Sherman and General Lee are the two great, practical abolitionists of the day. They are disposing of the negro by admitting him into their armies and by allot ting certain lands for the support of his family. Sherman is more liberal than Lee, masmuch as he gives the negro his forty acres at once, while Lee holds it out as the reward for bravery and good conduct during the war. This practical abolition and practical philanthropy combined, and the theorists of the Tribune can not comprehend how admirable this combin tion is. Neither can they submit, without grumbling, to be thus superseded. Theoreti cal reformers, like Greeley, Garrison, Wade Wilson, Phillips, Beecher, Suraner and the rest of that clique, are swept out of sight by such practical reformers as Sherman and Lec. The best man produced by the clique to which we refer is probably General Butler; but all Butler did for the negro was to give him the name of contraband." Neither the negro nor any of his practical well-wishers can consider this nickname as beneficial a gift as a deed for forty acres of first rate Southern soil. As for the Tribune's theory, that the negroes should be

immediately transformed into "American citizens, with all the privileges, rights and enlightenment that a republican government can be-stow," that is extremely absurd, because it is entirely impossible. No large portion of our people, Next or South, are in favor of bestow-ing "all the pavileges and rights" of American citizens upon emancipated slaves, and certainly the majority has some opinions which the minority ought to respect. The "enlightenment" of which the *Tribune* speaks is quite another matter. That cannot be bestowed; the negroes must obtain it each for himself. We are com pelled to add that, as there are no traces of such enlightenment displayed in the Tribune office, the blacks about whom the Tribune theo rizes will probably remain for some time to

The paper money of Jeff. Davis, which abou Christmas time was worth in Richmond less than two cents on the dollar in exchange for gold, was boastfully quoted the other day by the Richmond Examiner as having advanced in value to nearly three cents on the dollar, in consequence of the fall of Fort Fisher. This may be the "blessing in disguise" which the rebels have pronounced the loss of that important stronghold. But how has it operated to increase the cash value of one of Jeff.'s five dollar bills from ten to fifteen cents! By simply stopping those little exportations of gold which before the fall of Fort Fisher, went out about every day from "the confederacy" for England through the Wilmington blockade. Yet, after all, fifteen cents for a five dollar bill exposes financial system which has gone to wreck and ruin. Herein, hardly less than in the exhaus tion of its fighting materials, lies the secret of the increasing disasters and demoralizations which mark the rapidly sinking Davis confede

With the meeting of the rebel Congress last

winter its attention was called and its labors were mainly devoted to the curtailment of those paper money issues which, if not arrested, from their fearful depreciation, threatened the speedy collapse of the confederacy. Seven hundred and fifty millions of its paper currency were affoat. It was fast becoming utterly worthless with all the pains and penalties attached to the refusal of the people concerned to take it. The rebel government, in this dilemma, could borrow no more money; for rebel capitalists had no more to give, except upon compulsion Jeff.'s Congress, therefore, adopted the only remaining expedients of relief at their comman They adopted a sweeping schedule of taxation, and they invested Davis and his military subordinates with authority to collect these taxes in the form of army supplies at their own valuation. Through these measures the taxes imposed, ranging from ten to twenty per cent on incomes and property, were m equal in value to ten, fifteen, and often twenty times the tax in Jeff.'s paper. But this relies was not sufficient to rescue the rebel treasury. Its paper money in circulation must be diminished; but how was this to be done, when the excess could not, even under cover of a new loan, be withdrawn? No new loan would be taken up. The Mississippi plan of redemption was the only resource, and it was adopted. new issue of Treasury notes was ordered, and it was enacted that two dollars of this new issue should be equal to three dollars of the old. By this simple process the seven hundred and fifty millions of Jeff.'s Treasury notes affoat were cut down to five hundred millions. Whether the holders of the old scrip were or were not thus cheated out of two hundred and fifty millions of dollars is a question hardly worth discussing, inasmuch as Jeff.'s creditors have lost or are certain to lose all their investments in their

Southern confederacy of every shape and form. It is this widening conviction, as much as anything else, among the rebel bond, certificate and Treasury note holders, that is sapping the foundations of their confederacy. They are beginning to realize the fact that its debts will never be paid, that its paper will never be redeemed, and that all their present contributions, voluntary or compulsory, of articles of solid value to their rebel cause, are now only adding so much more to their irreparable losses. Hence the demoralization which pre-valls in the confederacy; and hence the paper money of Davis, except under military compulsion, has almost ceased to be used as a medium of exchange in the purchases of the Southern people one from another. They have fallen back to the primitive system of so many bushels of corn for so many yards of cloth, or pounds of salt, or pairs of shoes. Surely another blow or two from Grant, Sherman and Thomas will reduce this whole ricketty rebel establishmentfinancial, military and political-to its original

But there is a warning in the workings of this paper money system of the Richmond finenpiers that should no longer be disregarded at Washington. Mr. Socretary Chase, when superseded in the Treasury, had gone to point of extreme danger on the same read with Memminger. Mr. Pessenden, in doing nothing, has been doing a little better than Chase; but he still remains on the road to ruln. We want and we expect, a change in the Treasury Depart ment—a reduction instead of any further in-crease of our "greenback" paper circulation, and the shaping of the whole system of the Treasury in favor of an early neturn to specie payments, and a fixed value to our paper our rency. To this end, we are gratified with the prospect of the transfer of Senator Morgan to the Treasury Department assuming the Cabinet changes that may be expected on or about the man. His long experience as a merchant among the banks, capitalists and merchants of this city admirably qualifies him for the position indicated. Give us him, or some such reliable and experienced business man, as our Secretary of the Treasury, and hundreds of millions of money will be saved to the government and the people, in restoring the Treasury to the path of safety, and to the fullest measure of the publio confidence.

There is no valid excuse for the prepreciation of "greenbacks." The rebel government at Richmond had from the beginning neither money, credit, comraerce nor public confidence to build upon. We have had and have all these advantages to an extent which no government in a time of war has ever commanded before. Under a skilful, common sense administration, of the business of the national Treasury, we have resources sufficient for the restoration of the national currency to the gold standard, dollar, for dollar, before the expiration of the present year.

THE FALL IN GOLD AND COTTON-DUTY DEVOLVING ON OUR TRADERS.—One of the beat commentaries that can be made upon the brilliant success that has attended our srms in the capture of Fort Fisher and the closing up of the last rebel port of supply, may be found in the effect which that stopning blow has had upon the markets. The Now we find that cotton, which was being sold in August and September last at one dellar a eighty cents to one dollar and eighty-five cen per pound, is at present selling at ninety-two and a half cents, and within a fortnight will probably sell at seventy-five cents per pound, and in a month at fifty cents per pound, or less. Unless by temporary expedients, it cannot be raised again to those absurd and unnatural prices, allbased on the prolongation of the war and the ability of the rebels to bull gold in this great money centre. There has as yet been no issue of paper currency in sufficient volume to warrant and justify fifty per cent premium on gold. Gold, which had been by cornering driven to two dollars and eighty cents premium; has now fallen to a little above two hundred by some of the leading parties quietly unloading. Goods of all kinds were marked up on cost tickets, from day to day, as the gold bull party carried up prices; but we have never yet heard of their being marked down, as gold fell in premium, at all in proportion. On the contrary, we are informed that many merchants continue to add fifty per cent to the rate of the day-that is, when gold was selling last week at from two hundred and four to two bundred and ton, we heard goods were marked as costing from two hundred and fifty to two hundred and sixty for exchange, to import. All merchandise has been speculated in by combinations; also all eatables, until prices have borne with great severity on nine-tenths of the community. Now that cotton can be bought at one-half the prices currently paid about four months ago, and is likely to go to onehalf of present prices soon, we hope to see goods resume their proportionate rate. As yet, the reduction offered is deceptive and unreal. Such goods as are going out of season, and are likely to be at one-quarter of present prices before the next season, are the only kinds reduced. If prices are not preportionately reduced to cotton and gold rates they will be reduced in a few weeks so largely by necessity that it will impair the credit and eans of our traders very largely.

A New STATE AND NATIONAL CAPITOL-The State Senate, it appears, have entertained a resolation throwing open to the competition of the different municipalities in this State the site for a new Capitol, and with it, of course, the claim to become the capital of the State of New York. It is contemplated to receive proposals from the large cities as to what grounds they will donate, and what kind of a building they are willing to erect for this purpose. If the Senate are in earnest in this matter now is the time for our Common Council to put in such a claim that no other city in the State can possibly compete with it. New York is the proper place, not only for the State capital, but for the tional capital. It is already the metropolis of the country, commercially and financially; point of population, wealth, enterprise and in-telligence. It is where all these concentrate that the legislative business of the country should be conducted. Such is the rule in every other nation. New York should have the halls of Congress and the State Legislature and the Executive mansions, just as London has her Parliament houses and palaces, or Paris, St. Petersburg, Berlin and Vienna, have their grand centres of legislative and executive

The first Congress met in New York, and a subsequent one in Philadelphia; but the then prevailed that the proceedings of the body should be carried our in some out of the way place like Washington, in order to avoid tions to legislative business. But that idea is obsolete now, for Washington is no longer isolated by its surrounding marshes and swamps It is as easily accessible as any other part of the country. Neither is the antiquated Dutch town of Albany relieved by its interior location from its pestiferous lobby. Therefore the arguments of a century ago are feeble to-day; while the living facts of the growth of the city of New York, its vast prosperity, the cone tration therein of all the enterprise, intellibence, industry and commerce of the nation, are powerful arguments in favor of locating the national and State capitals here.

We trust therefore, that if the Senate really mean to carry out the proposed plan our Com-mon Council will take up the gage, and appropriate such a sum for the purchase of sple rounds and the erection of a magnificent Capt tol building as will ensure the selection of metropolis as the future capital.

## QUERILLAS IN KENTUCKY.

Captain Cherk, of the Fourth Missouri robal cava entered Danville, Ky., with forty men, on Sunday, and o'clock, swapped horses with soveral of the chizens, hel-themselves to boots, shed several of their own her and departed. They were followed by Captain Bris

occurred. Two robols were killed, four or are we and neworal taken prisoners. Two of Bridgowstar's were wounded, but neas killed.

Major Jones, with two hundred men, is neg within nine miles of Elizabethtown to-night. Quantification of Elizabethtown to-night. Quantification of Friday afternoon Captain Perry, leading constilled approached within a short distance of I

on Friday afternoon Captain Perry, leading five guerillas, approached within a short distance of Bardstown, when they were fired upon by a party of federal soldsers, and it was reported Berry was killed.

On Saturday evening the outlaws made another raid on the place, but were repuised, after a brisk fight.

On the same day Bue Mundy's guerills hand deshed into Hloomield, surprised a party of seveniess discharged soldiers, captured foursien of them and killed them on the spot. The guerillas alloged is justification that the soldiers had executed a guerilla named Dudley a few days before.

READERON OF MR. AND MAR. VAND reading of the course by Mr. and Mrs. Vandenhoff was, given at Dodworth Hall last evening to a select audience. The title selected for the entertainment was "Trible Bulls;" but the better portions of the readings by Mr. Vandenhoff were decidedly to be found in the French. Vandenhoof were decidedly to be touch in the page of t in anecdotal recitation agreeable for the passing His examples of Irish wit and humor, and the fram which they were rendered, without pressuring the of originality—for they have been read sees told a sand times—were racy of the stage, and would have